

# InterOffice Memo

Department of Workforce Development

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To: WDB Executive Directors, WDB Chairs, and Chief Local Elected Officials

From: Mary C. Rowin  
DWD/DWS Deputy Administrator

Subject: **WIA Policy Update 03-03 -- WIA Performance Incentive Awards Policy**

## Purpose

This updates WIA Incentives and Sanctions policy related to provision of WIA performance incentive awards and technical assistance based on WDA performance on WIA locally negotiated performance standards.

## Policy/Legislative References

- ◆ DWD/DWS Workforce Programs Guide -- Part 2, Section C, 6. (WIA Incentives and Sanctions)
- ◆ WIA Legislation, Sec. 134, and WIA Final Rules, Sec. 665.200

## Background

The DWD/DWS Workforce Policy Guide (Part 2, Section C, 6.) includes policy related to incentives and sanctions for exceeding and failing WIA local negotiated performance standards. This policy describes the method for determining what WDAs are eligible for incentive awards and the two-phased sanctions process, including requirements for technical assistance and performance improvement plans. The policy also notes that "Incentive awards will become available beginning in PY 2001. The issue will be addressed by the Council on Workforce Investment..." (Part 2, Section C, 6., a. [5])

The Council on Workforce Investment addressed the policy for provision of WIA incentive awards and technical assistance on November 6, 2002 through its Workforce System Coordination and Oversight Committee. The CWI Executive Committee approved final policy recommendations on behalf of the CWI as a whole on November 21, 2002. The policy recommended by the CWI is incorporated into the appropriate sections of the DWS Workforce Policy Guide as provided on the attached document.

The final results for PY 2001 WIA local and state performance have been determined and no WDA in the state has qualified for a performance incentive grant as required under the DWS performance incentive award policy. As a result, all funds made available under the attached policy will be directed to technical assistance to improve performance. DWD/DWS is in the process of analyzing performance results, developing a technical assistance plan to address performance improvement needs, and determining funds that will be needed and available for improvement efforts. The technical assistance plan under development will address WDA program improvement and corrective action plans as appropriate. Specific information developed through these activities will be provided at a later date.

**Action Required**

WDBs are encouraged to assess their performance over the last two-year period and begin the process of developing program improvement and/or corrective action plans for improving performance. This assessment and planning process should consider both need/potential for renegotiating PY 02 WIA performance standards as outlined in WIA Policy Update 03-01 (dated January 15, 2003) and technical assistance needs.

**Questions and Technical Assistance**

If you have any questions about this policy, please contact the Local Program Liaison assigned to your area.

**Attachment**

Cc: Ronald F. Hunt, DWS Deputy Administrator  
DWS/BPS Local Program Liaisons  
DWS/BWP -- Policy and Program Development Unit

**WIA POLICY UPDATE 03-03**  
**WIA PERFORMANCE INCENTIVE AWARDS POLICY**

**January 31, 2003**

***Change to DWS Workforce Program Guide, Part 2, Section C (6)(.)(5) -- Incentive Policy***

5. Beginning with final performance figures for PY 2001 (and for future program year) programs, a portion of PY 2002 (and future program year) WIA state set-aside funds will be used for performance incentive award grants to eligible WDAs. These incentive grant funds will be distributed to eligible WDAs based on the WIA program allocation formula. Funds remaining after distribution of incentive grant awards to eligible WDAs will be used for technical assistance to WDAs that fail to meet performance standards.

***Addition of (c) to DWS Workforce Program Guide, Part 2, Section C. 6. b. (1) -- Sanctions Process***

- (c) Any performance incentive award funds remaining after distribution of performance awards to eligible WDAs as described in 6. a. (5) above will be used for technical assistance for WDAs that fail to meet one or more performance standards (in PY 2001 and beyond). These technical assistance funds may be used to respond to WDA performance improvement plans and/or correction action plans that may result from application of sanctions described in 6. b. (1) (a) or (b) above.

Distribution of these funds will be based on submission of applications for provision of technical assistance to respond to WDA needs. The Technical Assistance Application Guidelines will be developed by DWD/DWS and will consider WDA needs as determined by DWD/DWS analysis of final program year performance on negotiated performance standards, WDA monitoring reports, WDA corrective action and/or performance improvement plans, and other data considered relevant to assessing performance improvement needs of individual WDAs or the state as a whole. WDBs may apply for provision of technical assistance to other WDAs in the state. Those WDAs that demonstrate high performance (e.g., exceed local and state negotiated performance levels) in a standard in which they intend to provide technical assistance will receive priority in funding.